

THE LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 20, 1978

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions. . . Reading and Receiving Petitions.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for St. Vital.

MR. D. JAMES WALDING: Mr. Speaker, I beg to present the first report of the Committee on Public Accounts.

MR. CLERK: Your Standing Committee on Public Accounts met on February 28th, 1978, for organization and accepted the resignation of Mr. Schreyer. Your Committee appointed Mr. Walding as a replacement. By resolution of the Committee, Mr. Walding was appointed Chairman and the Quorum for future meetings of the Committee was set at six (6) members. Your Committee met again on March 1, 1978.

Having received all information requested by any members on matters arising from his report, or assurance by the Provincial Auditor that it would be provided, your Committee adopted the Report of the Provincial Auditor for the period ended March 31, 1977.

Your Committee has commenced its examination of the Public Accounts of the Province of Manitoba for the year ended March 31, 1977, and will report on matters arising out of the review at a later date.

MR. SPEAKER: The Honourable Member for St. Vital.

MR. WALDING: Mr. Speaker, I move, seconded by the Honourable Member for Wellington that the report of the Committee be received.

MOTION: presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, I have several reports or requirements to meet several Acts of the Legislature. They are the Insurance Act; The Law Society Act; The Legislative Assembly Act; The Public Officers Act; The Special Municipal Loan and General Emergency Fund Act which I would like to table at this time.

MR. SPEAKER: The Honourable Government House Leader.

HON. WARNER H. JORGENSON (Morris): Mr. Speaker, pursuant to Standing Order No. 8 in our Rules and Proceedings, I beg to table the report of the Internal Economy Commissioner for the fiscal year ending the 31st day of March, 1977.

MR. SPEAKER: Tabling of Reports, the Honourable Minister of Finance once more.

MR. CRAIK: Mr. Speaker, I would also like to table at this time the report of the Public Trustee of Manitoba.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. ROBERT (Bob) BANMAN (La Verendrye): Thank you, Mr. Speaker. I'd like to make a statement at this time. I have copies for members opposite.

Mr. Speaker, I would like to announce the authorization for the sale of Dormond Industries, was passed by . . .

MR. SPEAKER: Order please. Would the page distribute copies of this before the Minister makes his statement? 17 -18 The Minister may proceed.

MR. BANMAN: Mr. Speaker, I would like to announce the authorization of the sale of Dormond Industries Ltd. was passed by the Manitoba Development Corporation Board of Directors and

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ratified by the Provincial Cabinet. The highest and successful bidder of this company was \$347,000 and was submitted by Wayne K. Johnson, President of Ridgeway Realty Limited.

The sale of the company was financially satisfactory to the province. We have recovered the province's entire investment of \$222,000, showing a profit of \$125,000.00.

The province will receive a cash payment for the full purchase price of this firm. The new owners have indicated that they plan to continue the operation of the Winnipeg plant and have plans for future expansion of the product line to make the company more competitive.

The company showed a deficit of \$44,634 as of December 31st, 1976 and that deficit was reduced to \$5,663 for the year ending 31st, 1977.

The new owners, Mr. Speaker, intend to retain the existing employees at the plant and will continue its operation under the name of Dormond Industries.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I welcome the opportunity to deal with the statement that has been made by my honourable friend who has now attempted to succeed in disguising a profit by referring to it as a reduced deficit. The member indicates that the deficit was \$44,634 at December 31st, 1976 and was reduced to \$5,600 as of December 31st, 1977, and I suggest to my honourable friend that any accountant or any task force of businessmen will tell you that that is a profit.

Mr. Speaker, what is even more distressing with respect to this announcement is that that company, in public hands, made a profit every year or approximately every year that it was in public hands.

The history of this company, Mr. Speaker, is that it was a private sector industry. It was subsidized by the previous Conservative administration as part of the Columbia Forest Products, who gave public money to a private firm because they believed that ideologically the public was incompetent to do anything. They found out that the private firm was incompetent, ran deficits every year, had an undertaking from the previous Conservative administration that they would continue to get whatever capital needs they needed from the public.

Mr. Speaker, the public took it over and they made a profit on it and they started to run it properly, and made a profit, Mr. Speaker, during the last three years in any event. And what is embarrassing this government is that any public corporation which earns a profit and operates profitably flies in the face of their ideology, Mr. Speaker, that the public is incompetent and therefore to prove, to prove, Mr. Speaker, their position they are divesting themselves of every enterprise and, Mr. Speaker, there have been more than a few. This follows the same pattern as Cybershare, Mr. Speaker, which went broke under private enterprise, under incompetent private enterprise management who are now coming here under the leadership of the Member for River Heights, trying to tell the public how to run its business . . .

MR. CHAIRMAN: Order, order please. May I suggest to the Honourable Member for Inkster that there is a time and a place to make a speech. We are giving him the floor now to make a reply to a statement. I hope that it will be brief and to the point.

MR. GREEN: Mr. Speaker, the honourable the minister is not required to come into the House and make a statement on Ministerial Statements with regard to the disposition of a firm under the Manitoba Development Corporation. If he chooses to do so, Mr. Speaker, the rules say that the members are entitled to make comments *vis-a-vis* that statement. If Mr. Speaker will look at the statements that were made by members opposite, when announcements were made of this nature by the previous government, it will be indicated that the opposition is entitled to reflect on what is actually happening. I suggest to you, Mr. Speaker, despite the guffaw from our honourable friends who try to camouflage everything with either derision or obscenities or remarks relating to that of any kind, they should listen to what is being said, Mr. Speaker.

Well, Mr. Speaker, I regard it as obscene to talk about being the best breeders in the Province of Manitoba. And my learned friend guffaws and I say it is an obscenity. I am quite willing to have the public of Manitoba judge whether he is right, whether it is a joke or whether I am right and it is an obscenity. But I say with respect to this matter, Mr. Speaker, that this represents a course of conduct, Mr. Speaker, on the part of the Conservative government who were the original financiers of this project, who financed a failing private enterprise and private enterprise continued to fail, that when the philosophy changed and the Government of Manitoba and the public of this province saw that they could take private enterprise failures and make successes out of them, then the Conservative administration which is embarrassed by a \$4,800,000 profit on the Manitoba Development Corporation for the last fiscal year is determined, determined ideologically to prevent it ever being demonstrated that the public of this province is competent to do some of the things that private enterprise has failed to do.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. EDWARD SCHREYER (Rossmere): Mr. Speaker, I think my question should be directed to the Minister without Portfolio reporting for the Task Force. Given that summary reports of the Task Force are already being made available to the press, I don't know whether advertent or inadvertent, can the Minister indicate when the copy of the Task Force Report, or a synopsis thereof, will be formally made available?

MR. SPEAKER: The Honourable Minister in charge of the Task Force.

HON. SIDNEY SPIVAK (River Heights): Mr. Speaker, to the Leader of the Opposition. I am aware of the fact that speculative reports have been produced. I should indicate, Mr. Speaker, that the Task Force Report will be tabled in the House shortly.

MR. SPEAKER: The Honourable Member from Ste. Rose.

HON. A.R. (Pete) ADAM (Ste. Rose): Thank you very much. I would like to ask the Minister of Highways if he could advise the House when we can expect road restrictions on our public roads and highways this spring.

MR. SPEAKER: The Honourable Minister of Highways.

HON. HARRY J. ENNS (Lakeside): Well, Mr. Speaker, I think it is a well-established pattern of events — when the weather gets warmer, the roads get softer, the restrictions go on. When that happens that's in other hands other than mine.

MR. SPEAKER : The Honourable Member from Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, I have a question for the Minister of Agriculture. Can the Minister confirm that under his directive the branch of his Department, Rural Water Services, is being shut down, staff are being eliminated, and that the warehouse in the Transcona area that supplies these services will be also eliminated?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, that will come forward at the time of estimates.

MR. SPEAKER: The Honourable Member from Fort Rouge with a supplementary.

MR. AXWORTHY: Well, Mr. Speaker, I recognize the Minister's right to deal with departmental matters in estimates, but could he indicate whether notices have been given to employees of that particular branch of the service ending their employment as of March 31st?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Yes, Mr. Speaker, I can confirm that that part of the Rural Water Services will be closed down in the coming weeks.

MR. AXWORTHY: A supplementary, Mr. Speaker. With that information can the Minister perhaps indicate what plans he has to provide that service to farmers at the present time, what alternatives are being supplied or will be established?

MR. DOWNEY: Yes, Mr. Speaker, I believe that the private sector, all the local plumbers and suppliers in the farm communities, will have the right to supply them as they have done in the past.

MR. SPEAKER: The Honourable Member for Fort Rouge with a final supplementary.

MR. AXWORTHY: Yes, Mr. Speaker, a final supplementary. Can the Minister indicate that if the service is now to be provided by people in the private sector will this require or involve any direct government expenditures to those people? Will there be any form of subsidy supplied to ensure that farmers with lower incomes would still be able to have the same quality of service?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: As I said, Mr. Speaker, that will be outlined at the time of estimates. However, I can assure him that there will be a form of assistance to certain individuals who want to purchase plumbing equipment.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I would like to direct a question to the Honourable Minister

without Portfolio responsible for the Task Force. Mr. Speaker, is it the fact, as we are led to believe by the newspapers, that the Task Force is engaged not merely in suggesting administrative efficiencies, which they have no competence to suggest, as witness their own operations, but that they are also engaged in making suggestions with regard to the implementation, continuance, or discontinuance of government policy.

MR. SPEAKER: The Honourable Minister in Charge of the Task Force.

MR. SPIVAK: Mr. Speaker, to the Honourable Member from Inkster, the Order in Council setting up the Task Force is available to the Honourable Member, he can read it, he can read its terms of reference, he can make his own judgment. I would suggest if he would wait until the Task Force report is tabled he will then be in a position to determine the method and the manner of operation.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, a supplementary question. I am not asking with respect to the terms of reference in the Orders in Council. I am asking the Minister whether it is his opinion that this Task Force which is responsible to nobody in the province of Manitoba and which has not been elected in any way to determine policy, is in his view, entitled to make recommendations not merely with regard to administrative efficiencies over which they have demonstrated no competence at all, but also are being asked to make recommendations with regard to government policy, social and economic policy in the province of Manitoba.

MR. SPEAKER: The Honourable Minister.

MR. SPIVAK: Mr. Speaker the report of the Task Force is in the process of being written at the present time. It is incredible to me that the Honourable Member from Inkster has those powers of insight that he can determine now what the Task Force will in fact be reporting.

MR. SPEAKER: The Honourable Member for Inkster with a final supplementary.

MR. GREEN: Mr. Speaker, as a matter of fact, I claim no such insight, I asked my honourable friend a question. Mr. Speaker, I wonder if the government is intending to evoke the official secrets Act against the Winnipeg Tribune. I didn't suggest that it's doing this, Mr. Speaker, because even I wouldn't be so critical of the Conservative administration as to suggest that they are abdicating their governmental roles to these people, so I ask my honourable friend to assure me that government policy, social and economic is not being advocated in favor of a corporate economic elite in this province.

MR. SPEAKER: The Honourable Minister.

MR. ? SPIVAK: Mr. Speaker, I assume that the Honourable Member for Inkster is not prepared to restrain himself but I would suggest that he read the terms of reference and when he reads the terms of reference of the Order in Council he will understand, Mr. Speaker, that the Task Force makes recommendations.

MR. SPEAKER: I want to inform the Member for Inkster that he has had his allotment of supplementary questions. With the consent of the rest of the House, he may proceed.

MR. GREEN: Mr. Speaker, I don't wish any allowance, I merely wish you to count the supplementaries that were given to my learned friend, the Member for Fort Rouge.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Mr. Speaker, my question is for the First Minister. Seeing as how the other Co-Chairman of the Task Force does not report to the Minister responsible for the Task Force and in light of government procedures regarding accountability, will Mr. Conrad Riley be subject to questioning of a Legislative Committee?

MR. SPEAKER: The Honourable Member for Transcona with a supplementary question.

MR. PARASIUK: Mr. Speaker, this is to the First Minister. Is Mr. Riley still a Co-Chairman of this Task Force?

MR. SPEAKER: Does the Honourable Member for Transcona wish to try again?

MR. PARASIUK: Yes, my question is to the First Minister, whoever he may be on the other side. Is the Member for Charleswood still the First Minister on the opposite side?

MR. SPEAKER: Orders of the Day. The Honourable Member for Selkirk.

MR. HOWARD PAWLEY: Mr. Speaker, my question is directed to the First Minister. Can the First Minister advise whether or not Mr. David Young, the architect for the program of layoffs and firing of the civil servants, is presently acting as a private consultant and policy advisor to the provincial government?

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, in response to the Honourable Member for Selkirk, to the best of my knowledge Mr. David Young is not the architect of government policy with respect to bringing government back under control from the unholy mess in which we inherited it. That's No. 1 and No. 2 I would have to take as notice. I am not aware that he is retained in any consultative capacity but I will take the question as notice and see if I can get the information.

MR. SPEAKER: The Honourable Member for Wellington.

MR. BRIAN CORRIN: My question, Mr. Speaker, is addressed to the Honourable Minister of Health and Social Development. Will the Minister restate or retract his misleading response made to the Honourable Member for St. Boniface on Friday morning during the Question Period. At that time he was asked by the Honourable Member for St. Boniface whether money turned over to Manitoba with any strings attached must be spent on social services — this is pertaining to block funding arrangements recently made — and the response was that block funding is not carte blanche; it can't be spent in areas other than social services. Mr. Speaker, this, I believe, is not correct and I would ask the honourable minister whether he would be so kind and willing to either restate that response or retract the statement.

MR. SPEAKER: The Honourable Minister of Health.

HON. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I would be willing to elaborate on my response. My response was intended to convey the information that there are strings attached, that the block funding is not available, as I said, carte blanche, that is to be transferred for use in other areas. The respective provincial jurisdictions must file data and information with the Federal Government indicating the social service programs that are being maintained.

MR. SPEAKER: The Honourable Member for Wellington with a supplementary question.

MR. CORRIN: Mr. Speaker, I take it then that the minister is now saying that the money can be spent for other programs, I suggest that the truth will out, Mr. Speaker.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. LAURENT L. DESJARDINS: Mr. Speaker, I wonder if the Minister of Health could prepare a statement re this block funding because the answers are very ambiguous. What are the conditions? The province must file a statement, but what? Is there any condition that the province should put in some of its own provincial funds or what? I think that this is something important enough that we certainly would welcome the information and the stand that the minister took at the time because I think that legislation is going to be brought forward and we should see if we intend to support it or try to change that. The Federal Government is responsible but it's the information that we would like to have so if he could take this as notice, Mr. Speaker, and give us this information another day.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, yes, I would be happy and prepared to make a statement. I did issue a statement from Ottawa at the conclusion of the conference outlining Manitoba's position and outlining the details of the agreement but perhaps it didn't get the dissemination that I would have desired and I will make such a statement.

MR. SPEAKER: The Honourable Member for Lac du Bonnet.

MR. SAMUEL USKIW: Mr. Speaker, I'm not sure just to which minister I should address this question to. It would be either Housing or Public Works and the appropriate one hopefully would reply. What is the disposition of the land acquired by the Government of Manitoba in the East Selkirk community? What is the intent use of that land on the part of the Crown?

MR. SPEAKER: Orders of the Day. The Honourable Minister of Housing.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I wonder if the honourable member would just state whether it's East or West Selkirk he was speaking about?

mr. USKIW: It's East Selkirk area, Mr. Speaker.

MR. JOHNSTON: Mr. Speaker, to the honourable member, I am not prepared at the present time to tell him what the disposition of the land is in East Selkirk. It's being looked at and when we come up with a policy on it we'll be announcing it.

MR. USKIW: Mr. Speaker, I wonder if the Minister would indicate whether or not it's possible to have the land returned to the original owners who were somewhat upset about the acquisition in the original instance. Is that part of the consideration?

MR. JOHNSTON: Mr. Speaker, anything is possible. We would be willing to look at or consider anything that comes before us.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Speaker, my question is to the First Minister or the Task Force Minister or maybe the Telephone Minister, I'm not sure. How many further layoffs will occur at The Pas — in this case because of computerization of telephone services in The Pas?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the Minister responsible for the Manitoba Telephone System regrettably is not here today. We can take that question as notice for him.

MR. McBRYDE: Mr. Speaker, maybe he could take a supplementary question as notice as well. Is there a possibility that the computerization is not designed with the clientele in mind and will cause serious inconvenience to the telephone service users in The Pas region?

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I wanted to direct a question to the Minister of Education. Could he confirm that a recommendation has been made by the Task Force to close Brandon University?

MR. SPEAKER: The Honourable Member for Elmwood with a supplementary.

MR. DOERN: Mr. Speaker, I don't think this is a laughing matter. Could the Minister confirm that there has been a recommendation to either close Brandon University or to remove its present autonomy and place it back under the aegis of the University of Manitoba?

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, in answer to the honourable member's question, I believe the Task Force Report will be tabled very soon and those recommendations will become evident.

MR. DOERN: Mr. Speaker, I would ask the Minister again whether he is familiar with this recommendation or is it something he has never heard?

MR. COSENS: Mr. Speaker, I read the papers also and I imagine that's where the honourable member has become concerned about this item.

MR. SPEAKER: The Honourable Member for St. Matthews.

MR. LEN DOMINO: Mr. Speaker, I have a question for the Minister of Education. I have here a copy of an article which appeared in the March 18th edition of the Winnipeg Free Press. The article states that the government has decided to abandon its stated goal of supplying 80 percent of the basic education costs. My question for the Minister is, does this article accurately reflect government policy?

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, to answer the question of my colleague, the Member for St. Matthews, I want to make it clear that it has not been stated or implied that we would abandon this objective. As a matter of fact I have already announced that school boards would receive \$11 million more in direct grant support in 1978 than in 1977 and furthermore, it's been stated in the Speech from the Throne that further school tax relief would be provided for senior citizens and low and middle-income bracket. The objective of this government is, therefore, to reach that 80 percent goal when fiscal conditions permit.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: A supplementary question. Mr. Speaker. As the Minister of Education makes reference to \$11 million by way of increased grants to divisional school boards in Manitoba, would he indicate if that \$11 million is one-third or one-half of the total increment in aggregate school divisional budgets for Manitoba, or is he implying it is more than one-half?

MR. COSENS: I would have to take that question as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for St. Vital.

MR. WALDING: Thank you, Mr. Speaker. My question is for the Minister responsible for the Manitoba School For the Deaf. Can the Minister inform the House whether there is any shortage of qualified teaching personnel at the school?

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, in reply to the member's question, I understand that one position — a teaching position — was vacated early in 1977 and frozen at that time. This was early in 1977.

I further understand that in August of 1977 another teaching position was made vacant by a retirement. I can assure the member that two qualified substitutes were engaged for the fall session. I can further assure the member that for the upcoming term in September that we are endeavouring at this time to hire qualified people to fill those positions.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. I'd like to come back to the Minister of Agriculture, if I might, just to get further information on the closing of the Water Services Branch. Can he indicate whether the people that have received notice of the cancellation of their employment are they contract people or do they also involve permanent civil servants?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Yes, that will be disclosed at time of the estimates, Mr. Speaker.

MR. AXWORTHY: Well, Mr. Speaker, I wonder if the Minister could indicate whether, because they know this has gone out, whether there has been provision provided for those people who have received their termination notices to receive alternative employment in that department or in other parts of the government service.

MR. DOWNEY: That will be disclosed at time of estimates, Mr. Speaker.

MR. SPEAKER: Orders of the Day. The adjourned debate of the honourable . . . The Honourable Government House Leader.

BUSINESS OF THE HOUSE

MR. JORGENSON: Before the Orders of the Day are called, I wonder if I may be permitted to make an announcement regarding the business of the House.

As honourable members are aware, Friday the House will not be sitting, and in consultation with honourable gentlemen opposite we have agreed that the House will sit Thursday morning as it would normally on Friday — Thursday morning and Thursday afternoon. It will be adjourning at five-thirty.

Also on the 29th, Wednesday, which is the last day of the debate on the Address and Reply, the House will sit Wednesday morning until twelve-thirty to enable those members who wish to go to the Exhibition in Brandon — a bus will be made available for transportation shortly after the closing of the House at twelve-thirty.

ORDERS OF THE DAY — THRONE SPEECH DEBATE

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, the custom and practise of this House is that in rising to reply to the Speech From the Throne that the Leader of the Opposition, as indeed all other honourable members, make reference to you, Sir, and to the mover and seconder of the speech in reply.

I am like you, Sir, one who very much is of very great loyalty to the practises and customs and conventions of our parliamentary system. I, for that reason, take this opportunity to wish you well, Sir, and to express the belief — last session in November it was merely a hope I was expressing but

now it is already becoming somewhat of a belief — that you will carry out the responsibility of the office of Speaker in a meritorious way.

I must say as an aside, Sir, that over the years I have become accustomed to hearing your contribution to debate. Unfortunately that will now be lacking but, as I can tell from your early pattern of performance as Speaker, that you will not hesitate to express your solicitude for contribution that other honourable members make, from time to time.

Sir, with respect to the mover and seconder of the Address and Reply, I say to the Honourable the Member for Crescentwood that he has expressed himself in an interesting fashion with respect to matters particularly pertaining to province-city relations and even to matters internal to the City of Winnipeg. It is of course entirely appropriate for members of this Provincial Assembly to express their views even to matters that might normally be considered to be of an internal matter in the administration of the City.

Perhaps one of the reasons he does so is because of a very direct relationship that he has with at least one important person in the city administration. But I think he will find that the old adage is indeed true that the more things change the more they remain the same. If he feels that there is, as he put it, the words are his, "a sort of internal power group within the city administration known as ICEC", that group was there for some few years now and I believe did go to make life miserable for the former mayor of the City of Winnipeg, as well as the incumbent. Still in all, that is the nature of politics and the testing of policies and political ideas, that somebody should be making life miserable for someone in office.

I, for one, am, even in retrospect, of the belief that the changes that were made to the City of Winnipeg organization and structure have in very large part proven themselves as being feasible and workable. There are undoubtedly, merely with the passage of time, occasions for making changes really of a minor nature I should think. The main crunch with respect to the City of Winnipeg and any other municipal administration in 1978 and in the immediate future will be one of the extent to which they are assisted in carrying out their functions, the extent to which they are orphaned off by senior government and forced to curtail even the highly desirable of development of social facilities, services, and of a municipal infrastructure nature.

I also extend congratulations to the Honourable the Member for Portage la Prairie. He is one who, I just assume and take it for granted, is a native son of that part of the province — a part of the province which we all know has a very long history relative to Manitoba's total history itself. The member so ably did relate at least some of the more salient points about Portage la Prairie's history as a community.

I wonder, however, if the honourable member realized how ironic it was; not sad, just a little bit funny but heavily ironic for sure that in extolling the virtues and the accomplishments of the community of Portage la Prairie that he should go through a check list as it were, as he did, and at least, at least indeed more than half of the important features — and obviously important to him since he listed them seriatim — were accomplishments that were brought about in that community, by that community and in that community for that community by one or another level of government and this coming from a person who associates himself with a government that is so regressive and right of centre that one has to go back at least three decades to find its like.

A MEMBER: Genghis Khan.

MR. SCHREYER: No, not three centuries but three decades at least. The Honourable Member for Portage la Prairie might as well know that Pages 16 and 17 of his rather informative contribution to debate I intend to put under plastic protection so that it will not deteriorate in the files because it is a classic example of the basic inconsistency of Conservative thought in the latter part of the 20th Century.

Mr. Speaker, it has taken five months for the chickens to come home to roost and they are most emphatically coming home to roost very quickly these days; what with one demonstration after another; one protest after another; one indication of unfulfilled request for redress of grievance after another. It has taken only five months for the Conservative Government — which is undoubtedly the most conservative in our country today, perhaps anywhere in the free world — (Interjection) — Obviously I said, Sir, in the free world, one of the most conservative if not regressive — to demonstrate that old doctrinaire rhetoric just gets us nowhere except into unreality itself and economic stagnation and harsh human consequences for many people, especially those at average and below average incomes.

Rather than dwell in general descriptions — which I admit is sometimes a failure of most of us in public life — I shall concentrate or try to concentrate on specifics, Sir, to show that Manitoba cannot function as an island unto itself, and that remedies of our current economic difficulties in Canada and Manitoba require both levels of government, Federal and Provincial, both of them, to try at least to be on the same wavelength instead of working and moving in diametrically opposed directions. The remedy — and the word "remedy" as used by the Minister of Finance himself with the issuing the other day of a news release on the jobless entitled, "National Jobless Rate", most disturbing.

Well, Mr. Speaker, I don't know what is undisturbing about Manitoba's jobless rate. It is so disproportionately high relative to our past, both recent and not so recent even, that one has to go back a couple of decades or more. It is disturbing enough to cause people who normally do not

engage in direct political commentary to cause them to invoke the Almighty, it is disturbing enough to cause people to demonstrate. Because in fact, Sir, it is disturbing to those who stop to think. Manitoba's rate of unemployment at 6 1/2 percent, unadjusted 8 percent, is certainly one that is disturbing. We do not expect miracles. We do not even expect improvement but we have a right to expect an end to the deterioration of condition that has been plaguing us. Certainly since the Christmas holidays it has gotten better, not worse. And for those who talk about enhanced and improved prospects of hope for young people, for the youth, and the context of all that can be expected in '78, in '79, where are those enhanced prospects, especially for youth? They are probably dimmer than they have been in many years.

We cannot afford to pursue any kind of — to use my colleague's expression — dogmatic, doctrinaire, out of date, old-fashioned, simplistic remedies such as my honourable friends seem to have in mind, if in fact they have anything in mind with respect to economic improvements.

If we want to think about ways and means of trying to bring about a combination of factors which will work towards the improvement of our economy then we have to take both private and public sectors as being important instruments by which this can hopefully and possibly be achieved. It cannot be done by using such rhetoric as "putting the private sector on trial." Isn't that the expression that's being used these days? Well, Mr. Speaker, I think that it would be no exaggeration to say that the private sector has been around for a long time. We have ample historical records to show to what extent we can realistically expect the private sector to carry out its important function and role, and to what extent we must realistically look to the public sector as an equally important means of achieving stability and adequate economic performance in our province and in our province's economy.

My honourable friends either do not look at the accumulated experience that we have all gone through, whatever age, going back 10, 10, 30 years, but it is there for anyone who cares to see. The Statistics Canada Catalogue Series 64,000 and on give a breakdown as to the relative importance of both private and public sector investments in this and any other province; and without belabouring the point I simply put on the record, Mr. Speaker, that since 1958, or exactly 20 years for which we have tabular information compiled, that the ratio of private and public sector investment in our province has deviated no more than 1 or 2 percentage points in 20 years, under two successive and very different administrations.

Now if they're implying that by using measures quite apart from the human consequences of it all will somehow result in a miraculous upsurge of one of the two sectors and bring about economic stability and health, then they surely must be either deluding themselves, either out of doctrinaire wishful thinking or out of ignorance.

But on what basis, Sir, can we, given the record of our province, can we be led to believe that it is somehow realistic and efficacious to do a drastic downturn on one hoping that the other will, under the mere exhortation and threat that they are on trial, pick up the slack.

Indeed it would seem that the more mature way to live and let live and to live together is to make an assumption that it will require the ingenuity of both sectors in our economy to overcome the kind and level of economic difficulty that we are experiencing at the present time.

Well, there is admittedly, one of the many facets and features of our present economic difficulty is the fact that there is need to enhance consumer purchasing, and by definition I would suggest it is better to enhance the purchasing power with respect to the more basic requirements of modern day living standards than to enhance the purchasing powers of those already at high discretionary disposable income levels.

There is the obvious point that not only would this be justifiable as a matter of public policy from a purely human and sociological point of view, but it is also in terms of economic results equally desirable. To talk only in terms of bringing about tax breaks, tax reductions, while not really explaining or quantifying how it will impact with respect to those on higher and average and below average incomes, is to conceal and hide a very important human and sociological point, and an economic one as well.

The Chamber of Commerce here in Winnipeg, I understand, realizes that all is not well in our economy and they have been moved to present a submission running to many pages to, I suppose, all the party caucuses, and I am advised that they are advocating, among other things, a reduction in the sales tax. Now Manitoba already has, and has had for several years now, one of the lowest, I think second or third lowest of sales taxes in Canada, say second-lowest sales tax in Canada. I think it is rather ironic, Sir, that so much faith should be put by the Chamber in the effectiveness of a reduced sales tax when Ontario and Newfoundland, both of which are governed by Conservative governments, have moved from 5 percent sales tax up to 7 percent and 10 percent respectively, in the opposite direction; not to mention the increase in the flat hospital and medical premium or flat taxes with respect to those services. Mr. Speaker, I am referring to all provinces in Canada who are in similar economic condition and circumstances with the exception of Alberta and Saskatchewan, who are not in the same circumstance as any of the other eight provinces, for reason only of oil, and that's so elementary it hardly need be said.

But if it is somehow so inherently clever and rational as a matter of economic policy to be reducing sales taxes, then one has to ask why it is that in Ontario — let us for the moment make reference to Ontario, not the Maritimes or Quebec or Western B.C. or Alberta or Saskatchewan — that they should be moving towards a higher sales tax and flat taxes with respect to health services, does go to show that even among Conservatives there is something less than a consensus of opinion; certainly something far less than unanimity. I mention that only because it points out in a stark way that those who have presumed to give advice to governments in the past find that their advice is being

presumably taken in some provinces and in other provinces ignored, even where they have the one thing in common, and that is, a Conservative government.

Well I agree emphatically with one-half of the Chamber's proposal, and that is that there is need somehow to bring about an increase in consumer purchasing power. That is one part of the equation that is needed for some improvement in our country's economy. But now comes the question, which is more effective in stimulating purchasing especially of goods and services available locally in the province, lower tax impact on average and below-average income families, or a non-selective tax reduction that results in twenty bucks a year extra for some, and \$500 a year extra for others, or more than that, those already at high-style consumption levels? And which is more stimulative of our economy, the purchase by the province or by municipalities of supplies and services from local contractors to build local services or a non-directional increase in spending habits. There is need for a sophisticated interweaving of all of these approaches, and not a simplistic dependency of all eggs in one basket.

It is not necessary to elaborate further except to say that it is obvious that whatever remedies my honourable friends have in mind must include a combination of short-term stimulus as well as long-term, and private as well as public sector obligations. This means both short-term and long-term public works and short-term and long-term reliance on the private sector. We have some experience to go by here and everywhere else in Canada. Despite all the rhetoric about putting the private sector on trial, hard reality shows what the actual 20-year record here in Manitoba alone has been under both Conservative and New Democratic governments, and it has not changed significantly from year to year for twenty years, and all of a sudden they have a brainwave. Unfortunately, that brainwave could so easily result in damaging human consequences to many families in this province, to many small businessmen in this province, but they are out to prove the rhetoric of conservative *laissez-faire*, 1930, Hoover, R.B. Bennett-type economics.

The private sector is being put on trial, Sir. —(Interjection)— Well my honourable friend has a preoccupation with Marxism that is greater than mine. He talks about it more than I do. That's a fact, Sir. The private sector is being put on trial to produce or else. Produce or else, they are being told. What is the good of such childish rhetoric, what good does it do to say, produce or else, to Inco? Inco would just as soon tell you to go to hell, and they have in so many words. What is the good of saying produce or else to Greb Shoes? They pretty well told you what they think and where you stand. What's the good of saying produce or else to a small business contractor who is worried sick as to whether there will be sufficient demand in this province for the next 12 to 18 months to enable him to buy another unit of equipment or to keep another five or eight men on the payroll or lay them off. What's the good of telling them this stupid nonsense of produce or else, you're on trial? They might as well give you the same answer as Inco did.

At a time when there ought to be a summoning-up of courage by the province for the provincial government to try to fill in some of the gap created by circumstances that may have had to be faced by private companies, instead of trying to fill in some of the gap by whatever degree, the province moves in to exacerbate the situation by laying off personnel. It does not surprise me that from time to time there is need for government reorganization. Some projects once started are brought to completion; personnel hired ad hoc for the purpose may well have to be laid off, but to go about it in a broad-axe fashion at a time of already-mounting unemployment is, Mr. Speaker, a simplistic approach.

But on top of that, what is more disturbing, even so, is that some of the actions taken — I can think of two in particular — borderline on actions that are unlawful in relation to the province's own statutes. I refer to the "oh, so cute" manoeuvre with respect to the Civil Service Commission and also I am not convinced of the actions taken with respect to the statistician of the Bureau of Statistics. But anyway, some parts of this, I believe to be now, sub judice and I will not presume to go into detail at this time. The human dimension, let it suffice to say, must not be overlooked.

In the end the actions that governments take of a seemingly purely economic nature must be the final analysis, take into account the human dimension, otherwise what is it all about and is it so difficult to comprehend that what seems to be so offensive to some in this government that certain things are taken up as a matter of initiative by the public sector end up being placement of orders for goods and services to the private sector. The relationship may be symbiotic but what's wrong with that. Indeed, some of the greatest so-called success stories of private entrepreneurship in North America have come about as a result of companies, admittedly private, very much private, that existed almost entirely, if not entirely, on orders from the Departments of National Defence of this and other countries. So symbiosis apparently is fine depending on how you put the story.

There is need today — it is not as though people lack ideas — there is need today for the resuming of some initiatives that I know that many municipalities would like to take to build things of a locally useful nature. Useful to the operation of a municipality, or useful to the lives of the people living in the communities of those municipalities. Whether the facilities be of a particularly mundane type or not is not important, but they are useful; there is unemployed manpower, there is a shortage of orders faced by businesses in this and other parts of the country. This is not a time to be cutting back.

The Conservatives say they are budgetary constrained and then they try to exaggerate the point somewhat by recombining what they themselves separated in 1958. At the time of the introduction of the format of the presentation of the budget in 1958, I remember well, and of course the records will show, that justification was made for the separating out of current and capital accounts. Now they have recombined them after twenty years and quite frankly the matter is of not such great moment that I would have bothered to separate them five years ago, nor would I bother to separate them, now that they have recombined them, five years from now, but at least be consistent in the format that is

being used. And on top of that, deficits, deficits, they are worried sick about deficits and of course they assist in their own conjuring up of fear by exaggerating the size of the deficit, sort of a self-induced hysteria which then makes it possible for them to justify the kind of dehumanizing actions that they have taken with respect to the public servants and with respect to the orphaning off of local governments and school boards in terms of grant support.

What I mean by that, Mr. Speaker, is quite clear. Somehow it is not a cause for hysteria in Ontario that they should be running in three successive years, deficits in the order of magnitude of \$1,000 million. I believe, slightly less than that, but just slightly less than that two years ago and well in excess of that in the current fiscal year. Everybody knows, including the C. D. Howe Institute which is a private — I underline privately — financed research foundation in Canada, that at this point in time that the Canadian economy, including its component parts, requires restimulation, whether the restimulation comes by a combination of tax incentives or to get more immediate impact in the short run, a combination of that with the carrying out of public sector responsibilities and ideas in construction but whichever way and whatever combination to restimulate the economy. Now in light of that, it would seem reasonable that if the Federal Government is going to have to run even larger deficit, that those who are engaging in the rhetoric of deficits being evil, or if not that, at least highly undesirable, then of course we have got the setup for another round of game play.

If the Federal Government, and it is interesting too, whether it be the United States or Canada at this juncture, Federal deficits running proportionate to population and to tens of billions of dollars in the U. S. and to something in that order of magnitude to Canada, \$10 billion plus, and that the provinces would what, sit back in the reeds and not only leave it all to the federal level of government but then accuse the federal level of government of fiscal mismanagement.

A MEMBER: Not living within their means.

MR. SCHREYER: Yes, then you can see Mr. Speaker, what kind of impossible political adversary game playing we have gotten ourselves into. But a \$1,000 million deficit or a \$1 billion deficit, in one sister province, even adjusted for proportionality to population, becomes here something that they define as a mess, conveniently overlooking the fact that in the eight years that we were the government, and I turn now to my colleagues who were former Ministers of Finance, that we ran surpluses on current account for at least three, possibly four, of the years that we were in office, so that we could look with some courage to a time when if it was necessary to run deficit on account in order to stimulate the economy, but no, we are going to have doctrinaire, dogmatic type of economics engaged in, even though this really means negative things for a significant number of our population.

What is the unemployment rate this spring? 6 ½ percent adjusted, unadjusted - 8 percent. It is lower than the national average, I admit, but it has crept up closer to the national average than it has been for years and years, and this at a time when the national average is being aggravated by chronic problems of unemployment in the Maritimes.

Just the other day I had occasion to say a friendly "hello" to some people quite senior in the City Administration and I asked them in a half-bantering way, what the state of their city treasury was. They said it was bare; which didn't surprise me because there has obviously been all kinds of telegraphing of intentions that the Municipalities would have to live with this new fiscal orthodoxy and that therefore, if it meant that even useful and desirable, indeed semi-necessary things and services and infrastructure would not be able to be gone ahead with, these initiatives would have to be curtailed at a time when we have such a level of unemployment and businesses and suppliers going with slack purchase orders, part of which could be remedied in part at least by municipal if not provincial works, but the Minister of Finance says himself that the cost of unemployment to the Canadian economy in terms of lost output and increased income security payments is enormous. Indeed it is, and so is it the case in Manitoba. But that too is part of the blind side of the current orthodoxy of the Manitoba Conservative Government, that they can preach to the national government that there is lost output simply because of unemployment which they are, however, not prepared here to subtract from, to put alongside and subtract from the cost of taking certain public works and putting them into implementation.

I don't know why the Minister of Finance would make that statement unless he believes it and I presume he believes it — that the cost of unemployment to the Canadian economy in terms of lost output is enormous. Well the same is true to the parts, the cost is enormous, and in terms of income security payments. I venture to say, Mr. Speaker, that the level that the number of persons able-bodied on welfare for each month in 1978 will exceed the number on welfare for any comparable month the year before, or the year before, or the year before, or the year before. But despite that, they will not help the city and local governments to undertake certain initiatives which they have in mind and which they would very much like to get started with.

Lost output. Well, I guess that must be the reason why in Ontario they are presuming to live with \$1,000 billion plus deficit on their accounts, because they know that it's not that simple and that if they did not undertake such action or wait for the Federal Government to provide the major part of what is needed, that they would be suffering levels of unemployment that much higher and the loss of output would — to use the Minister of Finance's words — be that much greater. Doesn't that follow?

Well, we shall be wanting to file Orders for Return to indicate the number of able-bodied people

on welfare in this province in this and ensuing months because it is one of the undeniable consequences of this doctrinaire philosophy of by-gone days. It's a very moot point.

Just as an aside on that — because this really has to do with the question of to what extent we support local government — the Minister of Education indicated that there would be an increase of about \$11 million to the public school system, elementary and high school system in Manitoba. He sort of presumed to make it sound as though \$11 million was substantial. Mr. Speaker, \$11 million would be approximately 60 percent, 65 percent of the effort of last year, in terms of the increase that we felt was necessary and justifiable to local educational government in Manitoba — \$16 million in 1976 or 1977 dollars and \$11 million in 1978 dollars. It is something, Sir, which I was too modest to say, "I told you so," but I have been maintaining for the past several months that local government, municipalities, towns, villages and school boards would be given relatively . . . yes, significantly less help and in turn they will have to be increasing the impact of local taxation on real property and that in a way that is less related to ability to pay.

Now the irony, Mr. Speaker, is that for months, years, the Association of School Trustees and local government associations have been calling for taxation policies that would reflect more the ability-to-pay principle but, Mr. Speaker, we are moving in exactly the opposite direction — but exactly in the opposite direction — in recent months, and that is another chicken coming home to roost.

My honourable friends in their Throne Speech, I really don't know . . . Without being unkind about it, I don't know what single positive measure was included in that Throne Speech, or what measure there was that anyone could construe as being positive in nature, that was not negative, regressive, retrogressive, unless one makes reference to the announced indication of spending some \$12.5 million on health care facilities. I believe that was the figure used — 12.2 or 12.5 million — sort of implying that this is in a totally new context when the fact of it is, Sir, that in the normal long-term planning for this province, there were amounts considered as being sort of minimal justifiable of in the order of \$20 to \$24 million per year over the course of the next four years or so. Is this \$12 million then over and above or is it within the context of \$20 million or \$22 million or does it come about by cancelling all that and just reintroducing part of it?

There is nothing in the Throne Speech to indicate that there is even an acknowledgement — and if I'm wrong in that I apologize to the Minister of Agriculture — that there is even an acknowledgement that even while the province may not be able to do very much about it — and where the province can't do much I'm not about to be critical, Sir — but not even an acknowledgement that the farm net income situation in this province is probably more precarious in 1978 than it's been for what? Ten years, maybe more than that.

The provincial government realizes — and one assumes they realize — that part of the difficulty has to do not only with deterioration of farm prices but with the increase in the cost of inputs in agriculture, one of which is land itself. The only thing they announce is some vague intention of cancelling in whole or in part the Farm Land Protection Act, which, if done, will simply result in the cost of land input as a component cost of production, being even worsened. Anything that they might be able to do even by modest degree to facilitate the entry of young people into agriculture, one of the few things that a provincial administration can do in that respect, even that they slough off to the boards because of some prior dogmatic ideological view.

They know that three years ago a majority of livestock producers defeated a referendum, not only on beef marketing boards but also the year before defeated a referendum on a check-off and yet they have in their Throne Speech an indication of intent to introduce a check-off. They say it is voluntary in the sense that somebody can, by taking the initiative, remove himself from it. I guess the corollary of that is that those who really want it could opt into it. Be that as it may, the question was succinctly put to the producers. They know the result and yet they proceed to legislate.

And that leads me to ask, Mr. Speaker, with all the guff that we had to listen to about dictatorial tendencies, if that isn't the classic example of it, then I don't know what is. I mean, in the face of the actual expression of intent, they move in the opposite direction.

Well, with respect to the farmers, Mr. Speaker, we know that there is a rather worsening economic condition facing farmers and that, I guess, is manifested partly at least in the fact that many of them came together in a rather spontaneous way to try to make their grievance known two weeks ago. The situation is deteriorating. I admit the province can't do much. Among the few things it might be able to do, it is trying to avoid doing.

Now, land banking is another frustrating example. If those who were in urban government — especially in urban government but local government even of some towns — realized that it was not desirable to go on year after year without local government having some capability with respect to land banking for the future. That hardly existed in this province. Indeed, I guess it didn't exist in this province at all before the early '70s. There were a couple of cities in Canada that were foresighted enough to move out and do some land banking several years back — Edmonton, Halifax — but here it was left undone and so the province, with the encouragement of the Government of Canada and a few other provinces as well, went out to land bank, at least some significant level of land banking to try and better provide for the future. We have now all of the portents that the present government is going to crawl back to tomorrow by selling off this land and hope that whatever problems that in turn postpones or avoids for the moment, well they won't be around to have to deal with.

A MEMBER: Even the Chamber of Commerce is worried about what they might do.

MR. SCHREYER: The land bank policy of this government, while still ill-defined, causes me to

shorten up my words on this but so far it rather looks as though the present government is going to take a rather grasshopper attitude and sell off what has been banked in recent years, or sell off in large part.

We know, too, Mr. Speaker that over the past several years there was the constant allegation, which I give my honourable friends credit for, of rather successfully spreading the false information that Manitoba had a high incidence of taxation. The fact of the matter is that we had for many many people in this province, for those of below-average income, we had indeed the opposite of a high incidence of taxation. It is rather ironic to notice in as recent as last week in the Toronto Globe and Mail that as a result of the changes made in health and hospital financing premium collection that Manitoba still stands as the third lowest in taxation position for people of \$10,000 a year income. The third lowest in all of Canada. The fact is that even on the graduated scale it is still below average, below national average taxation, for those right up to the \$18,000 a year income level. My honourable friends made it sound as though we had such abnormally high incidence of taxation.

Now I'm going to say, Mr. Speaker, that as a direct consequence of everything that they have announced so far — which isn't much if you put it together — and as making some assumptions based on their philosophy, it is pretty clear to those of us on this side and to growing numbers of Manitobans that the impact of taxation in this province indeed will be changed and it will be changed in such a way as to move us from among the lowest to among the highest in Canada in terms of impact on people and families of average and below-average means and that they are going to move consequently to make some reductions in taxation for those who are in the upper income brackets.

That will be the net effect of it. Then, too, one cannot ignore the municipal tax dimension because municipalities will be powerless, or nigh onto powerless, to be able to contain the local mill rate taxes in the face of what has already been announced I suppose in a kind of premature way by the Minister of Education, that there will be an \$11 million increase to school divisions.

I suspect that the treatment to municipalities generally, parallel with the school boards, will be increases in municipal grants proportionately similar. I would assume that is so, unless the Minister of Education has more influence than the Minister of Municipal Affairs which is really presumably not likely. And so when you add the two together it does mean a substantial reduction or semi-orphaning off of local government in this province by the current provincial government.

The present government is committed to user-pay philosophy, so I'm told. Well it's interesting to know that some Conservative Premiers in this country believe that there are limits to user-pay philosophy. They don't want it applied to the railroads, for example. The Premier of Alberta and the Premier of Nova Scotia don't want user-pay philosophy applied to freight rates. And I'm not suggesting that they're wrong. When it comes to such things as public transit and whether or not as a matter of public policy we should be trying to encourage or discourage public transit, we find that in fact those cities operating public transit will be partly starved on that account. The formula is being tampered with already which was 50 percent of the operating deficit being paid by the province and, as a consequence, there will be either a horrendous deficit for the city alone to carry or there will be an increase in user fees. If that's the case, then we are reverting back to the good old days of 1968 when the province put up 5 percent of the operating deficit of public transit here in Winnipeg.

Then some had the audacity on the City Council and the ICEC, and one or two who sit opposite now, to suggest that we were perhaps a bit parsimonious in our support of municipal government. Mr. Speaker, that's another chicken that has come home to roost in less than five months.

Obviously I should make mention of Day Care. I should make mention of — well it's only a rumour and I'm not going to waste time on rumours — the suggestion that there would be a termination of the supplementation for the elderly because presumably they are going to do great things for the senior citizens. They are going to abolish school taxation as it applies to senior citizens, making it sound as though it is not the case that for 85 percent of pensioners today there is effectively no school tax net payable. — (Interjection) — Well, gentlemen can easily find out when that particular chicken comes home to roost in the form of the Estimates of Supply in the Budget because if the property tax credit program is taking so-and-so much and they augment it by so-and-so much, then the net increment will give you some indication of the extent to which they are putting in a non-additional to inflation adjustment into that program. And if it doesn't net out at 10 percent expansion in that program, then clearly they are not doing anything net real.

It is for somewhere in the order of 80 to 85 percent of all old age pensioners today a no-net school tax payable situation now. My honourable friends are going to extend that program to apply to those who are curtailed by the \$225 minimum, which means that it is really accruing to those who are, on the basis of the income test inherent in the program, already at higher income levels or who have higher assessment property in which they dwell.

However, we shall see precisely what the net effect and meaning of it is for the great majority of pensioners. But that would be perverse, Mr. Speaker, if they were to offset that with a discontinuation — no matter how modest — of the income supplement, because the income supplement goes to those who are in need of supplementation. If they discontinue that so as to have some two or three millions available to put towards a school property tax program for those who are above the income thresholds that, Sir, is indeed perverse in that it is taking from one group of senior citizens at lower income circumstances for the others. I recognize that that is still speculation. I have not seen that confirmed, but I say that if that is to be the case there is no other word for it; it is perverse in terms of its impact.

They talk about the public service and about the task force. Well may I digress for a moment here to read a page from an Ontario Ministry of Treasury Economics Document of last autumn. This is issued

by the Department of Treasury and Economics and Inter-governmental Affairs, Ontario.

"More than 97 percent of Manitobans were better off under the current Manitoba personal tax system than under that of Ontario, and the typical Manitoba family of four with a total income of up to more than \$25,000 pays less tax than his counterpart in Ontario.

More than 96 percent of Manitobans tax-wise were better off than their B.C. counterparts and a family of four in British Columbia pays less up to the \$25,000 per year income level."

I mention this because I would like members on both sides of the House to ask for a catalogue for Ontario Ministry of Treasury Economics and Inter-governmental Affairs Document 77/26. I mention it now because if there was one thing honourable friends opposite repeated and repeated it was that there was an incidence of high taxation in this province and I say that it all depends on what group they were referring to. Certainly for the average of our citizens that was a most false and dishonest contention.

My honourable friends, the public service and this task force — too bad the Honourable Member for River Heights is not here. I want to begin my comments with respect to it by saying that I reserve judgment with respect to the Task Force until they have reported in, rather than go by speculation and rumours. But then in order that we minimize rumours and false information I want to say that I was met, rather by a pleasant coincidence — I enjoy the man's company — in an airport in an Eastern Canadian city some very few weeks ago by a senior person of this Task Force and told as follows: that we in the private sector came prepared to scoff and stayed to praise, that we thought that there were relatively simple ways for governments to be run more efficiently. We found instead that the complexity of government in the modern day is very great — at least as great if not greater than that of large corporations — and that there are many aspects of the operation of government that we found we had to learn about. We came prepared to scoff and stayed to praise that the dedication of many of the senior people in the civil service is something to acclaim. (The verb is not his, it's mine; I forgot the verb.) But I am quoting directly when I use the expression "We came prepared to scoff and stayed to praise."

The suggestion that we were somehow in this province operating a public service which was below par in calibre is a most irresponsible type of scuttlebutt to foster. We know that they played the game of suggesting that there was too much political influence in the public service, but one thing we never practised, Sir, was intimidation. Let that be clear. I'm not so sure that it couldn't be said today that in fact there is intimidation being practised.

I have to say to my honourable friends opposite that it is difficult to try to maintain a tradition of non-spoils system in the public service if one side decides it's going to play by different rules. I, Sir, can point with pride to a historical fact that we did not dismiss with impunity people in the public service because of some inclination of suspicion as to what their political preference was. The extent to which the ground rules were changed are consistent with the changes that have been made in other parts of this country and other countries of the free world. —(Interjection)— My honourable friend, the Member for Morris, says that still doesn't make it right, which sort of implies that everybody else is wrong and he is right. But then he, with his little red hen philosophy, must be exactly in his glories right now that his little red hen philosophy is having its way for the moment, and in turn is responsible for the fact that we do have a much worsened economic condition, levels of unemployment, deterioration in certain important public and social services and intimidation throughout much of the public service.

Those in the public service are of an age and of a capacity, I am sure, that they know that they have to look after themselves. They have a right here, as in any other part of the country, to expect basic fair treatment. For the moment I think I have to say that some of the consequences of what my honourable friends are playing with there in the public service will not manifest themselves so quickly — a year, two, some three. But there is a pattern that is untoward. I am told that Conservative Party personnel — to be more precise one Nathan Nurgitz — is having something to do with the screening of people coming into the employ of the offices around this building and elsewhere and I want to know, Sir, if my honourable friends realize that we never used provincial party office personnel to screen anyone that worked over here. —(Interjections)— Yes, we did; we didn't have them screening personnel. At no time —(Interjection)— Well, we didn't have them screening personnel. Yes, and my honourable friends, I venture to say, must have taken some 50 to 75 into the public service attached to their offices or however, in the past two months or three, notwithstanding their publicity to the effect that they are effecting such necessary and large-scale economies.

My honourable friends are trying to make much of the fact that they are curtailing the indemnification of MLAs. I have no comment on that except to say that we did practise restraint with respect to the indemnification of Ministers of the Crown — no increase in eight years. I wonder if my honourable friends will be able to say the same,

both with respect to the 8 years before or with respect to the next 3 or 4 years and most assuredly we'll be watching for that.

A MEMBER: We'll be watching.

MR. SCHREYER: And I say that only because of this effort to provide such false pride in what they're about and what they're doing. I have, all in all, Mr. Speaker, indicated what some of the more salient points are that are causing such widespread uneasiness and unrest, dissatisfaction on the part of many people in this province.

I have not mentioned such, I think, humanly gratifying programs as Day Care but it is obvious that a program like that which admittedly we could not finance as unrestrained as some people would have liked, nevertheless was on a steady implementation pattern of expansion each year. I wonder if my honourable friends will even sustain a plateau with respect to provision of Day Care service much less take into account the impact of inflation, let alone the possibility of increasing the availability of that service.

The Minister of Health intimates that they have a good staffing ratio now at the Portage Home. Of course we will find this out by Orders for Return. I would want to know if he knows that in 1969 the staffing ratio there was in the order of 500 and some people for a residence population there of 1,300 and where was it at in 1977, if not 700 to 900 resident patients. Construction of many new community residences, I wonder if they will sustain the tempo of that let alone improve and enhance it.

So the chickens are coming home to roost, Mr. Speaker, one at a time, and in five short months their stable is practically full already. —(Interjection)— Chicken coop, that's right. The same effect, Mr. Speaker.

There is an economic decline in the province which is being worsened instead of helped by the present administration. They seem to take a — but I am now repeating myself — they seem to take a kind of sign of priority to dogmatism. They know that many people in this province are in difficulty and they seem to take an attitude of "let them eat cake", but that is what it is tantamount to.

There are many features of the way in which they are administering the affairs of this province which are not only causing uncertainty and a sense of real grievance and indignation to different groups of citizens as manifested by their various demonstrations, but it is causing grave uncertainty on the part of us on this side and I would think on the part of many others in Canada who look on with incredulousness at a pre-Keynesian type of Conservative administration.

So I have, Sir, a motion to move which is admittedly lengthy. There are many features to it but then again, Sir, there are many facts about which we do lack confidence in these people opposite and so I make no apologies for the length.

THAT the Motion of His Honour be amended by adding the following:

That this House expresses its regret that the government has,

1. Followed policies and practices that do not remedy but worsen the problem of economic stagnation and unemployment.

2. Cause uncertainty to spread in the private and public sectors as to levels of construction and other economic activity thereby creating in turn a no-expansion, no-net new employment condition.

3. Caused the downturn in employment prospects for youth and for whole regions of this province and therefore the prospect of a return to net population loss of people from this province reminiscent of 1963 to 1965.

4. Not defined its intentions in Family Law and in a way consistent with its commitment to honour the principles of the original legislation.

5. Failed to adequately support local governments in providing services to their citizens and forcing local property taxes to be increased unduly and encouraging the greater reliance on user fees, for example, transit rates.

6. In announcing a checkoff without referendum ignored the fact that a referendum of beef producers in recent years has defeated a checkoff on beef cattle.

7. In announcing vague intentions to repeal farmland protection legislation has failed to recognize the need for facilitating the entry of young people into agriculture.

Moved, seconded by the Honourable, the Member for Inkster.

MR. SPEAKER: You have heard the motion of the Honourable Leader of the Opposition, a motion of amendment to the motion of the Honourable Member for Crescentwood. The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, the opportunity to debate is now here but considering the length and the breadth of the Honourable Leader of the Opposition's amendments I would indulge the House by asking time to peruse them more carefully and therefore I beg to move, seconded by the Member for St. Boniface that debate be now adjourned.

MOTION presented.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: I move, seconded by the Minister of Highways that the House do now adjourn.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: A point of order, please. Mr. Speaker, would you kindly put the first motion on the amendment to the House before the motion for adjournment is accepted?

MR. SPEAKER: If the honourable member wishes. The motion for adjournment of debate, moved by the Honourable Member for Fort Rouge, seconded by the Honourable Member for St. Boniface that debate be adjourned.

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MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader has then made a motion that the House do now adjourn.

MOTION presented and carried.

MR. SPEAKER: The House then stands adjourned until 2:30 tomorrow afternoon.